

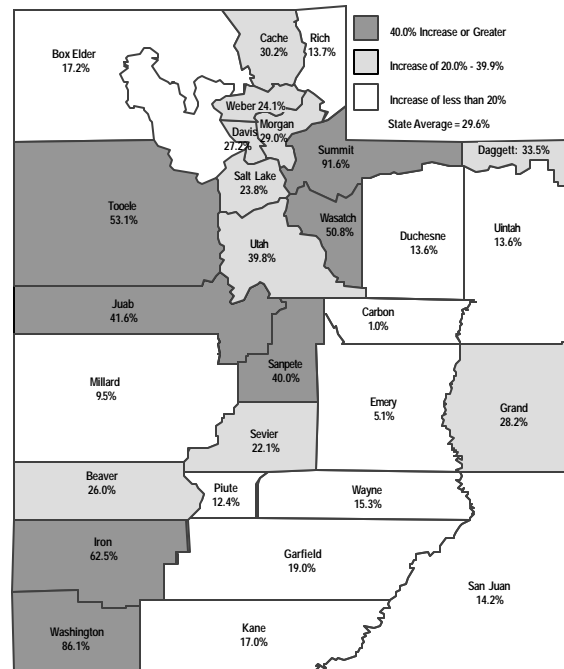


Demographics

- **Population:** Utah's July 1, 2001 population was estimated to be 2.29 million. According to Census 2000, Utah's population increased 29.6% from 1990 to 2000, growing more than twice as fast as the U.S. (13.2%) over the decade. It was the fourth fastest growing state in the nation. Although the state has experienced net in-migration throughout the 1990s, natural increase accounted for the majority of the state's population growth.
- **Median Age:** Utah's population continues to be the youngest in the nation, with a median age of 27.1 in 2000, compared to 35.3 nationally.
- **Diversity:** The state's population has continued to become more racially and ethnically diverse. The Hispanic population in Utah increased 138% from 1990 to 2000. Hispanics, the largest minority group in the state, now make up 9.0% of the state's total population.
- **Long Term Projections:** The state's population is projected to be 2.8 million in 2010, reach 3.4 million by 2020, and surpass 3.7 million by 2030.

2001 Utah Population Estimate	2,295,971
2000-2001 Percent Change	2.2%
2001 Net Migration	14,166
2001 Natural Increase	35,251
2001 Fiscal Year Births	47,688
2001 Fiscal Year Deaths	12,437

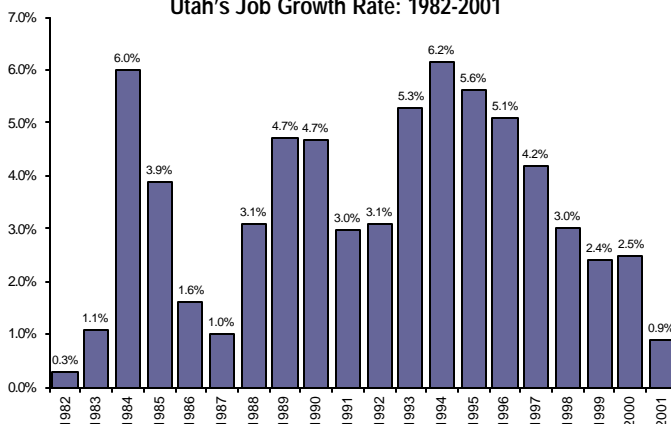
Population Growth Rates: 1990 to 2000



Employment and Wages

- **Job Growth** – Nonfarm employers added only 10,000 net new jobs in 2001, a growth rate of 0.9%. This is Utah's slowest job growth since 1983. It is only a fraction of the long-term average of 3.5%.
- **Leading Industry** – The 2001 rate of job growth in Utah's major industrial divisions ranged from -3% in manufacturing and construction to 5% in finance, insurance, and real estate. In 2002, construction will drop even more, but most other divisions should see some minor improvements.
- **Unemployment** – Utah's 4.4 % unemployment rate for 2001 is a nine-year high. A monthly average of about 50,000 individuals were out of work in 2001, a 40% increase from 35,800 in 2000.
- **Average Wage** – In 2001, Utah's average annual nonagricultural pay was \$29,700. This is an increase of 3.1% from the 2000 average, which increased by 4.8%. This is the seventh year in a row that average wage increases in Utah have outpaced increases in inflation, as measured by the U.S. Consumer Price Index (CPI-U).

Utah's Job Growth Rate: 1982-2001



Source: Utah Department of Workforce Services

Total Nonagricultural Employment (2001)	1,085,000
Increase (2000-2001)	10,121
Percent Change (2000-2001)	0.9%
Unemployment Rate (2001)	4.4%
Total Nonagricultural Wages (2001)	\$32.2 billion
Percent Change (2000-2001)	4.0%
Average Wage Per Job	\$29,705
Percent Change (2000-2001)	3.1%
Total Personal Income (2000)	\$52.5 billion
Percent Change (1999-2000)	6.7%
Per Capita Personal Income (2000)	\$23,364

Industry Focus

- ▶ **Defense** - The defense industry in Utah continued to rebound in 2001, with spending totaling \$1.91 billion and rising nearly 34% from the previous year. New operations beginning at Hill Air Force Base should prove to be a strengthening influence on the remainder of Utah's defense industry.
- ▶ **Tourism** - In contrast to 2000, when consumer optimism and robust spending helped offset several external shocks to the industry, the effects of an international, national, and regional economic slowdown, combined with the effects of September 11th, have negatively impacted the state's tourism economy. Helping to mitigate the negative effects of the economic slowdown and the terrorist activity have been the increased interest and improved visibility the state has enjoyed as the 2002 Olympic Winter Games approach.
- ▶ **Exports** - Merchandise Exports in Utah grew about 5% to an estimated \$3.4 billion during 2001. Although the state's exports more than doubled during the 1990s, most of the growth occurred before 1997. Since then, exports have remained in the range of \$3 billion. In the short term, Utah's exports may not grow rapidly, but they appear to have held up well relative to other states and the nation.
- ▶ **High Tech** - Utah's high tech sector peaked during 2000 with employment losses appearing to accelerate during 2001. In addition to the economic factors, other issues are affecting the overall stability of high tech, including the fact that Utah has no large corporate headquarters conducting research and development activities in the technology industry. The companies that once formed Utah's high tech core are either gone or struggling. Identifying the reasons and implementing solutions may pose one of Utah's greatest challenges.
- ▶ **Energy and Minerals** - While crude oil production declined slightly in 2000, natural gas production continued to increase. The estimated value of mineral production in Utah was \$1.9 billion in 2001, marginally higher than the total for 2000, despite a year of continued low metal prices and a faltering national economy.
- ▶ **Agriculture** - Net Farm income in Utah fell from 1994 to 1996 as livestock prices fell, and has yet to recover. Although the prices for livestock and other farm products have been increasing in recent years, and incomes have risen, at \$270 million in 1999, net farm income remains well below the \$321 million peak in 1993.

Major Findings

- ▶ **Economy Experiencing Slowdown** - The Utah Economy slowed during 2001, especially after the September 11th terrorist attacks. Utah's slowdown occurs against the backdrop of a very weak international economy and a U.S. slump. Although the state's economy has slowed, Utah continues to out-perform the nation, and the current situation is seen as a brief pause that is expected to be followed by moderate growth as 2002 closes.
- ▶ **Growing Faster than the Nation** - According to April 1, 2000 population counts released by the U.S. Census Bureau, Utah, with a growth rate of 29.6%, grew twice as fast as the U.S., with a 13.2% rate of growth from 1990 to 2000. Utah ranked fourth among states in the percent of population growth increase during this ten year period.
- ▶ **Continuing to Become More Diverse** - Utah's population has continued to become more racially and ethnically diverse. According to Census 2000, Hispanics are now 9% of the state's total population, increasing 138% from 1990 to 2000. The state's fastest growing race over the decade was the Asian-Pacific Islander category, increasing 57% over the ten-year period.
- ▶ **School-Age Population Boom** - The state is expecting a substantial increase in the school-age population (ages 5-17) beginning in 2005 and extending to at least 2020. The school-age population is projected to increase to 524,000 by 2005 and to 754,000 in 2020. Educating these children, while maintaining a reasonable tax burden, will be a major challenge for policy makers in the coming years.
- ▶ **Rebounding Defense Industry** - Utah's defense industry continued to rebound in 2001, as base closures and realignments in other states shifted jobs and military spending to the state. Defense spending in the state increased nearly 34% from 2000. Hill Air Force Base's new classification as a "center of excellence" for low-observable technology will help ensure the viability of this large Utah employer.
- ▶ **Outlook for 2002** - Utah's economy is expected to experience a brief pause after the Olympics before the economy returns to moderate growth as 2002 closes. Job growth should accelerate slightly to 1.1%. The unemployment rate is expected to increase to 5.0%, the highest since 1992. For the eighth year in a row, wages should increase faster than inflation.

Significant Utah Rankings

Demographic				Economic			
	State Rank	Value*	Year		State Rank	Value*	Year
Population Growth Rate	4th	29.6%	1990-2000	Rate of Job Growth	17th	0.4%	(Oct) 2001(p)
Fertility Rate	1st	2.51	2001	Urban Status	6th	87% urban	1990
Life Expectancy	3rd	77.7 years	1990	Unemployment Rate	27th	4.1%	(Oct) 2001(p)
Median Age	1st	27.1 years	2000	Median Household Income	11th	\$46,539	1998-2000
Household Size	1st	3.1 persons	2000	Average Annual Pay	33rd	\$29,226	2000
				Per Capita Income	45th	\$23,364	2000
Social Indicators							
Violent Crime	10th	255.7 per 100,000 people	2000				
Poverty Rate	6th	8.1%	1998-2000				
Educational Attainment	4th	90.7% of persons 25+ w/ high school degree	2000				

*Rankings are based on the most current data available for all states, and may differ from more recent data available for Utah only.

Note: Rank is most favorable to least favorable.